

Weekly Report

the authoritative reference on Congress

WEEK ENDING JAN. 1, 1954

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On Congress Business . . .

FOREIGN "COUNTERPART FUNDS" HELP PAY TRAVELERS' WAY

Fatter Pay Envelopes
For Congressmen?

"Citizens For Ike" Try Hand In Congressial Races

Closed Committee
Sessions Tabulated

PUBLISHED WEEKLY BY CONGRESSIONAL QUARTERLY NEWS FEATURES

The Only News Bureau Exclusively Devoted To Congress

in this report ...

Congress' Dip Into	Cou	unterpart Funds	1
Paychecks: Congress To Hit YO			5
Like lke: "Citizens" Congressio			6
contents (For Thumbnail Index, see i	nside t	pack cover)	
PA	GE	PAGE	0
BEHIND THE HEADLINES		COMMITTEE ROUNDUP (Cont.)	
Counterpart Funds	1	Coming Up	-
Closed Meetings	5	On Tour	0
Citizens For Eisenhower	6	AROUND THE CAPITOL	1
		Congressional Briefs	
PRESSURES	7	Congressional Quotes	3
Lobby Registrations	7	DOLETICAL NOTES	
PRE-SESSION PLANS	8	POLITICAL NOTES	1
		THE EXECUTIVE BRANCH	5
COMMITTEE ROUNDUP	9	The President	_
New Hearings	9	Departments, Agencies	
Reports Recommendations	9	Commissions	2

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Behind The Headlines . . .

COUNTERPART FUNDS

Portion Of "Matching Money" Put Up By Nations Receiving U. S. Aid

Is Available To Touring Congressmen With No Accounting Specified

A continuing Congressional Quarterly tabulation shows that about 115 Members of Congress went abroad on Committee business during 1953. Chairman <u>Clare E. Hoffman</u> (R Mich.) of the House Government Operations Committee now is attempting to determine how much these missions cost the American taxpayer.

In announcing his study, Hoffman Dec. 12 said he was addressing questions to the Foreign Operations Administration, State Department, Defense Department and House Administration Committee. Dec. 25 Hoffman said he had been promised cooperation, and Defense will give him its detailed report by mid-January.

In addition to requesting data on cost of travel and entertainment for the visiting Congressmen, Rep. Hoffman sought details on the use of "counterpart funds." CQ was told that preliminary figures, based partially on estimates, were supplied to the Michigan Congressman and that complete figures would be provided when available.

Only Congressmen traveling on official business could obtain counterpart funds, and probably many of those thus eligible did not do so. In some cases, counterpart funds also were available to committee staff members.

"Counterpart" Defined

What are these counterpart funds and what is their source?

Counterpart funds are deposits of local currency by foreign nations participating in the U.S. aid program. These deposits are supposed to be the equivalent of the dollar value of aid granted by the U.S. Every month the Foreign Operations Administration (formerly the Mutual Security Agency) tells each nation how much was spent in grant-aid dollars for it, and the nation then deposits a commensurate amount in local currency.

Counterpart funds are divided into two types of foreign currency accounts. Ninety per cent of the funds

deposited by foreign nations to complement the U.S. aid they receive is spent by and within the foreign nation for aid-related general recovery and defense programs.

The FOA must first approve all withdrawals of counterpart funds by foreign nations. Once the funds have been released, the depositing nation uses the money for the same purposes authorized by the mutual security program ... for airfields and other types of military construction, for defense procurement, or for projects such as agricultural improvement.

The other 10 per cent in counterpart funds is reserved for the exclusive use of the U.S. government in meeting local currency requirements that arise in a foreign nation. This U.S. portion of counterpart funds is used generally for overseas information program expenses, purchase and development of new sources of strategic materials, and general administrative expenses of U.S. operations abroad.

Congressmen traveling abroad on official business, such as a committee-authorized survey of the foreign aid program itself, have access to that portion of U.S. counterpart funds used 5.) pay administrative expenses in the foreign nations. The State Department now handles the special account involving Congressional use of counterpart funds, and in turn accounts to the Treasury for such Congressional expenditures.

The State Department expects to have a complete and final tabulation of how much the traveling lawmakers spent in counterpart funds during 1953 by about March, 1954.

Only those traveling on official Committee business may obtain counterpart funds, and the dozens of other Members of Congress who traveled abroad in 1953 had no access to such funds.

However, FOA said staff employees of Congressional committees may use counterpart funds if the chairman of their committee asks and receives permission from the State Department or FOA.

HOW IT WORKS

Here's how a lawmaker obtains counterpart funds:

Suppose the House Foreign Affairs Committee authorizes Representative X to represent the Committee in a European survey of the mutual security program. The Committee Chairman -- in the case of Foreign Affairs, Robert B. Chiperfield (R Ill.) -- writes a letter to the Secretary of State asking that Congressman X be allowed to use counterpart funds to defray the expenses of the official trip abroad.

Since the lawmakers have been authorized to use such foreign currencies since 1951, the State Department cables its posts in the nations or areas Rep. X intends to visit to release counterpart currencies to the Congressman. All Rep. X has to do to get the money is sign a receipt for the counterpart funds and turn the receipt over to the U. S. disbursing officer in the foreign outpost.

Unlike other U. S. government representatives and personnel, Congressmen do not have to account for the way they spend counterpart funds. Some Committees do ask for such an accounting, but under existing law, the legislator is not limited in his use of the funds, once he gets them.

DEPOSITS, WITHDRAWALS

The European counterpart funds program began in 1948, and by the end of fiscal 1953, European nations participating in the foreign aid program had deposited the U. S. dollar equivalent of \$11 billion, while the total approved by the FOA for withdrawal amounted to \$9.6 billion.

In fiscal 1953 alone, the FOA approved the withdrawal of \$929 million, of which 57 per cent was earmarked for military purposes, 33 per cent for promotion of production, and the other 10 per cent for items such as housing and flood relief.

Of the \$11 billion deposited since 1948, \$564,475,000 was to the credit of the U. S. for its share (formerly five per cent, now 10 per cent) of counterpart funds. By the end of fiscal 1953, FOA spending of this fund had totaled \$301,742,000. In fiscal 1953 alone, the FOA obligated \$57,323,000 of the counterpart funds available. (See chart page 3 for nation-by-nation breakdown.)

FAR EASTERN PROGRAM

The Far East counterpart funds program began June 5, 1950, and by the end of fiscal 1953, the Far Eastern nations had deposited the equivalent of \$228,510,000, in local currencies. Withdrawals for their own use during the period aggregated \$168,759,000. In fiscal 1953 alone, the FOA released to the foreign nations the equivalent of \$63 million from these counterpart funds deposits.

Of the total deposits, local currency counterpart funds for U, S, use totaled more than \$10 million in the three-year period, while FOAdisbursement of this money amounted to \$8.2 million. In fiscal 1953, the FOA obligated \$2,820,000, most of it to pay for U, S, administrative expenses in the Far East.

Legislative Background

The basic legislation which was to lead to Congressional use of counterpart funds was approved before the counterpart fund ever was authorized,

In section 136 of the Legislative Reorganization Act of 1946 (P. L. 601, 79th Congress), the lawmakers provided that the standing committees of Congress "shall exercise continuous watchfulness of the execution by administrative agencies" of matters within the jurisdiction of the committees.

It wasn't until 1948 that the counterpart fund was authorized as part of the U.S. foreign aid program. Congress passed the Economic Cooperation Act (P.L. 472, 80th Congress) which provided that foreign govern ments receiving U.S. economic aid on a grant, rather than a loan basis, should deposit the equivalent of aid received in local currencies. (CQ Almanac, Vol. IV, 1948, p. 173 ft.)

In the 1948 foreign aid appropriation bill (P.L. 793) five per cent of the local currency account was set aside for use by the U.S. in meeting local currency requirements in the nations making the deposits. (CQ Almanac, Vol. IV, 1948, p. 107 ff). The five per cent provision was included in a 1949 bill (P.L. 47, 81st Congress) to amend the Economic Cooperation Act of 1948.

In the Mutual Security Act of 1951 (P.L. 165, 82nd Congress) the lawmakers extended the use of counterpart funds to "military production, construction, equipment and materiel".

COMMITTEE WORK INCLUDED

The 1951 Act also had another provision relating to the counterpart funds program. A new section (527) which amended the 1948 Economic Cooperation Act stipulated that counterpart funds be available for the "local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946."

This meant that Congressmen traveling abroad as official representatives of a Committee could make use of counterpart funds to defray traveling expenses.

By 1952, the emphasis in the aid program had shifted from economic aid to military and defense-support assistance. The Mutual Security Act of 1952 (P.L. 400, 82nd Congress) in effect directed that most counterpart funds be used for military aid and defense support, and that \$100 million in counterpart aid funds be used to stimulate free enterprise.

HIKES U. S. SLICE

The 1952 Mutual Security Act also increased the amount of counterpart funds which would be owned and used by the U.S. government to 10 per cent of total deposits in foreign currencies. This meant that while 90 per cent of the local currencies would be spent in and by the foreign nations under the aid program, the

remaining 10 per cent would be credited to the U.S. for its administrative and other aid-related requirements.

But Congress also bore down on the use of counterpart funds in 1952 when it approved a supplemental appropriation bill (P.L. 547, 82nd Congress) which carried a section (1514) stipulating that foreign credits owed to or owned by the U.S. (including the 10 per cent counterpart fund) would not be available for spending by the U.S. agencies after June 30, 1953, unless specifically provided for in annual foreign aid bills.

Prior to this cut-off date, all foreign currencies on deposit were available without specific authorization or appropriation. But the limit did not apply to Congressional Committees. Only the local currencies used by a federal department or agency had to be covered by foreign aid appropriations, and involved reimbursement to the Treasury.

In the Mutual Security Act of 1953 (P.L. 118 83rd Congress), Congressional Committee members were specifically exempted from the counterpart spending restriction. The Act also authorized \$98,396,000 in counterpart funds for use in fiscal 1954, and provided that local currency obligations incurred before July 1, 1953, could be liquidated without reimbursement to the Treasury. The 1952 provision authorizing use of \$100 million in counterpart funds to promote free enterprise was repealed.

The Foreign Operations Administration, which handles most of the counterpart funds programs, has prepared charts showing the status of the European and Far East counterpart programs, and the status of counterpart funds for U.S. use. CQ selected columns which show the cumulative and fiscal 1953 status of the U.S. portion of both Far East and European foreign currency deposits.

U.S. PORTION OF EUROPEAN COUNTERPART FUNDS

FOREIGN CURRENCY IN U.S. DOLLAR VALUES

(In Thousands, For Fiscal Years)

				FOA	Outlays For	Expenses		500 (000)
Country	Deposits 1948-'53	Total Spent 1948-'53	Total Obligated 1953	Admin. '48-'53	Admin. 1953	Technical Aid 1953	Basic Materials 1953	Information Program, 1953
	(1)	(2)	(3)	(4	(5)	(6)	(7)	(8)
Austria	\$ 35,592	\$ 11,024	\$ 1,843	\$ 1,916	\$ 491	\$ 366	8	\$ 986
Belgium-Luxembourk	1,568	1,200	472	919	264	61	***	147
Denmark	11,938	3,559	842	1,216	249	309		284
France	130,349	84,317	25,165	35,245	10,581	2,239	7,537	4,808
West Germany	65,246	30,034	6,283	3,737	867	963	2,381	2,072
Greece	44,110	8,969	2,789	3,232	1,143	1,208	***	438
Iceland	1,215	158	78	141	46	26	***	6
Ireland	918	490	106	432	106	***	***	***
Italy	64,157	48,518*	6,622	6,927*	1,311	1,249	***	4,062
Netherlands	43,307	16,843	1,723	1,668	434	323	***	966
Indonesia	4,837	4,096	***	881		***	***	***
Norway	17,335	10,383	416	862	141	215		60
Portugal	1,223	1,720	161	682	117	34	***	10
Turkey	10,140	4,002	1,638	2,756	1,165	186	***	287
United Kingdom	122,€52	75,721	8,647	4,613	956	336	6,692	663
Yugoslavia	9,889	707	538	648	479	8	***	51
Total	\$564,475	\$301,742	\$57,323	\$65,875	\$18,350	\$7,523	\$16,610	\$14,840

^{*}Italy includes Trieste

U.S. PORTION OF FAR EAST COUNTERPART FUNDS

FOREIGN CURRENCY IN U.S. DOLLAR VALUES

(In Thousands, For Fiscal Years)

				196 767	FOA Outlays	For Expen	ses
	Deposits 1950-'53	Available To FOA 1950-'53	Available Funds, '53	Total Spent 1950-'53	Total Obligated 1953	Admin. 1953	Information Program, '53
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Burma	\$ 665	\$ 464	\$	\$ 464	\$	1	\$
China (Formosa)	2,065	1,748	549	1,677	541	495	46
Indochina, Associated States	2,002	1,591	595	1,516	577	528	49
Indonesia	1,664	923	***	923			***
Philippines	1,403	1,351	760	1,318	753	668	85
Thailand	806	886	480	784	457	348	109
Other	1,486	1,811	595	1,505	492	477	15
Total	\$10,091	\$8,774	\$2,979	\$8,187	\$2,820	\$2,516	\$304

CONGRESS' COMMITTEES OFTEN CLOSED THE DOOR

"Select Committee on Small Business, executive to discuss hearings on battery additive AD-X2, 2 p.m., room P-38, Capitol."

This announcement in the June 30, 1953, Congressional Record was typical of 892 similar notations of closed committee hearings during the seven months of the first session. They represented about 34 per cent of the 2,640 separate committee meetings.

Every Congressional committee, and just about every subcommittee, transacted some of its business away from the public eye, in "executive" session. To the total of 892 must be added about 465 closed meetings of the House Appropriations Committee, not announced in the Daily Digest of the Record. Including these would make a total of 1,357 closed hearings out of 3,105, or about 44 per cent. (Senate Appropriations sessions are announced, and are included in the 892 counted.)

The debate over "secrecy-in-government" is an old one, and its roots may be found in the Constitution.

Article 1, Section 5 states: "Each House may determine the rules of its proceedings..." Against this is arrayed the First Amendment: "Congress shall make no law ... abridging the freedom ... of the press."

The secrecy-in-government problem was attacked by Congress itself in 1952. An anti-Censorship Subcommittee of the Senate Government Operations Committee was established. Chairmaned by then Sen. Blair Moody (D Mich.), long-time correspondent for the Detroit News, the Subcommittee promised an effort to "eliminate road-blocks in the free flow of news." The group issued an interim report asserting that some government officials had "shown a tendency to overclassify security information."

ADMINISTRATION ACTION

The Eisenhower Administration Nov. 6 relaxed a 1951 order which gave some federal agencies authority to withhold certain information from the press, and consequently the public. The directive was designed to maintain a "proper balance" between the need "to protect information important to defense" and the "need for citizens to know what their government is doing." (CQ Weekly Report, p. 1321.)

A special committee of the American Society of Newspaper Editors Aug. 12 did not fully agree on whether Sen. Joseph R. McCarthy's (R Wis.) Permanent Investigations Subcommittee endangered freedom of the press in twice questioning New York Post editor James A. Wechsler behind closed doors. Four members of the 11-man ASNE group concluded the Wisconsin Senator had "infringed freedom of the press" and all 11 agreed that "such hearings" unless they "clearly involve matters requiring secrecy" for the nation's defense "should be open."

And Sigma Delta Chi, national journalistic fraternity, Nov. 14 branded as a threat to the American way of life secrecy-in-government which cannot be justified as in the public interest.

FOUR IN 10 CLOSED

Here is CQ's tabulation of open and closed committee hearings. It does not include: House appropriations or conference committee meetings, virtually all of which are executive; meetings held outside of Washington; meetings since the adjournment of Congress on Aug. 2.

	Open	Closed	Unclassified	Totals
HOUSE	942	384	54	1380
SENATE	704	461	24	1189
JOINT	22	47	2	71
TOTALS	1668	892	80	2640

Meetings were counted under both open and closed if an open session was followed by an executive one, or vice versa. If a committee held an interrupted session, taking up the same subject twice in the same day, it was counted as one meeting. The 80 meetings CQ was unable to classify as either open or closed were included in the total. This in effect counted them as open and reduced the closed hearing percentage.

A breakdown of the 892 closed meetings by subject revealed 518 were legislative, 122 were on nominations (all in Senate) 73 were organizational, and 240 general, including probes. Only 29 were on undetermined subjects.

The breakdown:

	Org.	Leg.	Nom.	Gen.	Unknown	Totals
HOUSE	18	220		130	18	386
SENATE	46	290	122	82	8	548
JOINT	9	8		28	3	48
TOTALS	73	518	122	240	29	982

For this subject breakdown of closed meetings, if two subjects were discussed, the meeting was listed in both classifications, explaining the fact that the number of closed meetings by subject (982) is greater than the number of closed meetings (892,)

HOUSE APPROPRIATIONS

Staff workers estimated that one to six executive meetings of the House Appropriations Committee and its subcommittees were held daily. At three meetings a day for 31 weeks (of five days each), this would add approximately 465 closed meetings to the total of 892, and hike closed sessions to 1,357, or 44 per cent of 3,105.

CONGRESSIONAL SALARIES

Congress may raise its salary in 1954. A preliminary step in this direction was taken in 1953.

The lawmaker enjoys such privileges as free postage and free office space and equipment. (CQ Weekly Report, pp. 134, 221.) But he has financial burdens beyond the usual ones to shrink his monthly pay check. On an annual income of \$15,000, he usually maintains two residences, unless his home is within commuting distance of Capiol Hill.

A Senator or Representative has the added expense of frequent travel between his constituency and Washington, and his 20-cents-per-mile allowance applies only when he travels to and from each regular session of Congress. In addition, the Congressman has a position to maintain. His only job security is popularity with the electorate.

Both his Congressional salary of \$12,500 and his \$2,500 annual expense allowance are subject to federal taxes. Annual tax deductions for the first \$3,000 of living expenses are allowed. Heads of federal executive departments receive \$22,500 a year, while federal judges' salaries range from \$25,500 to \$15,000.

The "boss" Congress applies to for a raise is Congress itself, but the wherewithal is supplied by the tax-payers, who do the "hiring" at the polls.

1789 -- \$6 A DAY

From 1789 to 1856, Senators and Representatives received per diem while Congress was in session except for 1815-17, when they received \$1,500 a year. First established at \$6 a day, this stood at \$8 in 1856 when Congressmen were placed on annual salaries. Changes in their pay scale since, with year the change became effective:

1856	\$3.000	1925	\$10,000
1866	\$5,000	1933	\$ 8,500
1873	\$7,500	1936	\$10,000
1874	\$5,000	1948	\$12,500
1007	67 500		

In the closing days of the 1873 session, the expiring Congress voted itself a raise retroactive to 1871, of \$2,500 a year. The next Congress speedily returned the salary figure to \$5,000 after strong condemnation of "the back-pay steal." In 1933, Members' salaries were cut from \$10,000 to \$8,500 a temporary reduction under the Emergency Act of March 20, 1933. The \$10,000 figure was restored in 1936.

The 1946 increase was in addition to establishment of a tax-free expense allowance of \$2,500. In 1951, Congress voted to make the allowance taxable, effective in 1953. Since it is taxable, it sometimes is counted as "salary" and present pay of Members occasionally is referred to as \$15,000.

Offsetting the 1951 action which made its expense allowance taxable, Congress in 1952 amended an appropriation bill to allow each Member a tax deduction for the first \$3,000 of living expenses (CQ Almanac, Vol. VIII, 1952, pp. 110-112).

The Speaker of the House enjoys this deduction but the Senate's presiding officer, the Vice President, does not. The salaries of the Speaker and Vice President were raised from \$20,000 to \$30,000 in 1949. Each gets a \$10,000 taxable annual expense allowance, so their salaries are considered to be \$40,000.

In 1953, the \$3,000 deduction for living expenses was set up as a limit. The House-passed version of the Legislative-Judiciary Appropriation included an amendment which would have given Congressmen blanket tax deductions for all living expenses in Washington, but the final version (HR 5855, P.L. 178) limited this to \$3,000.

1939-1953 COMPARISON

The Senate Judiciary Committee outlined the Congressman's plight in reporting a 1953 bill (\$ 1663; \$ Rept. 262) to raise Congressional and judicial salaries by \$10,000. \$ Rept. 262 contained the following table on Congressional compensation:

	1939 Salaries	1953 Salaries
Compensation	\$10,000	\$15,000
Federal Tax	372	2,394
Amount after Taxes	9 628	12.606

The purchasing power of salary-less-tax was set at only \$6,681 for 1953 in terms of 1939 dollars, or \$2,947 less than the 1939 salary after taxes.

S 1663 did not advance beyond approval by the Senate Judiciary Committee. But another bill (S 2417) establishing an 18-member study Commission on Judicial and Congressional Salaries became P.L. 220. (CQ Weekly Report p. 1064.) The Commission is scheduled to report is findings and recommendations to Congress by Jan. 15, 1954. Congress is supposed to act on the Commission's recommendations within 60 days after receiving the report.

Federal judges, too, have received no basic salary boost since 1946. History of Supreme Court salaries:

Pre-1911	\$12,500	1926	\$20,000
1911	\$14,500	1946	\$25,000

These are salaries of Associate Justices. In each case the Chief Justice received an additional \$500. Judges of federal appeals and claims courts get \$17,500 a year, while most federal district and tax-court judges get \$15,000. A general increase infederal judiciary salaries would apply to 366 active and retired judges (including U.S. territorial judges).

PRO-EISENHOWER CONGRESS

"We like lke; let's back lke."

That's the creed of the National Citizens for Eisenhower Congressional Committee, an outgrowth of the Citizens for Eisenhower movement in 1952.

Its purpose is to elect Republicans to Congress in 1954 who supported the President during the first term of the 83rd Congress or who promise to do so in the next Congress.

"We had something to do with getting President Eisenhower elected in 1952," said James L. Murphy, an early Eisenhower backer, who is chairman of the new group. "Now we want to give him the tools to get the job done."

The NCECC was started when Walter Williams and Mrs. Oswald B. Lord, former chairman and co-chairman of the 1952 Citizens for Eisenhower organization, and other leaders, decided to remodel the old group for the 1954 Congressional campaign. It was set up in July as a skeleton organization, and it has now grown to a staff of 22. Headquarters are in Washington, D. C.

APPEAL TO INDEPENDENTS

Within the past month Murphy, a full-time volunteer, has taken over the non-paying job as chairman of the NCECC. He is a former vice president of Foster and Kleiser advertising firm of San Francisco, a subsidiary of W. R. Grace & Co. Murphy comes from an Arkansas family, Democratic by tradition. He became interested in the Eisenhower movement last year, and was in charge of the Citizens for Eisenhower-Nixon movement in Northern California.

Mrs. J. Ramsay Harris of Denver works full-time at the non-paying job of co-chairman in charge of women's activities. A native of Spokane, Wash., Mrs. Harris is the wife of a Denver lawyer. According to Mrs. Harris her family backed the candidacy of the late Sen. Robert A, Taft (R Ohio) for the Presidency while she was "rooting for lke."

The national Citizens organization, as well as groups being formed at the "grassroots" level, is expected to appeal primarily to independents. Democrats, switch-voting Republicans and others who helped elect the President in 1952. Republicans interested in organization work will be encouraged to work inside their own party organization rather than with the Citizens for Eisenhower group.

NCECC will operate independently of the Republican National Committee and the Republican Senate and House Congressional Campaign Committees, although it will keep close liaison with them, particularly with the Republican National Committee.

The national Citizens organization-will offer assistance to local and district Citizens organizations and GOP Congressmen and nominees. The national leaders are preparing to send in speakers, campaign material, and offer "plans of action" and campaign techniques to help their local units and GOP Congressional candidates, on request.

Murphy and Mrs. Harris have talked over their plans of operation with President Eisenhower, and Murphy has discussed the role of NCECC with Leonard W. Hall, chairman of the Republican National Committee.

TARGET: CLOSE DISTRICTS

Murphy and Mrs. Harris have agreed to concentrate on close Congressional districts and campaigns of Republican Congressional nominees backing the President and his program.

Among doubtful districts, 88 were won by less than 55 per cent of the vote in the 1952 election. Of these, 41 are now represented by Republicans, 46 by Democrats and one by an independent, <u>Frazier Reams</u> of Ohio. "Our influence will be felt in these districts" said Murphy. (CQ Weekly Report, p. 1345)

NCECC also will assist other Republican Congressional nominees who ask for its aid. But the help each gets will be proportionate to the enthusiasm that he can generate among local Eisenhower groups, since the national organization will work mainly through the local groups. Murphy said hedid not expect to get calls for aid from Republican Congressmen who have opposed the Eisenhower program.

While Murphy and Mrs. Harris agree that all citizens and particularly party organizations have a duty to select "the best candidates possible" to run in the 1954 Congressional district and Senate contests, they said that the NCECC will not become involved in any Congressional races prior to the primaries. "Selection of candidates is strictly a district or state matter," Murphy told CQ.

NOT FOSTERING SCHISMS

The NCECC is not affiliated with the Citizens for Eisenhower Primary Committee in Illinois which announced its support on Dec. 11 of Clarence B, Randall, Chicago industrialist, for the Republican nomination for the Senate seat now held by Sen. Paul H, Douglas (D Ill.), Randall announced Dec. 15 that he is not a candidate.

Just as the NCECC is not going to become involved in primaries, it also is not going to aid any group of dissenters from GOP organizations even if they do "like lke." "We are not interested in fostering any schisms in GOP organization ranks," Murphy told CQ.



pressures on congress

LOBBYIST REGISTRATIONS

A former Congressman and a Washington attorney were among those registering under the Federal Regulation of Lobbying Act late in 1953.

NATIONAL MILK PRODUCERS ASSOCIATION, 1731 I St., N. W., Washington 6, D. C.

Attorney Marion R. Garstang, 1731 I St., N.W., Washington, registered Dec. 21 as counsel for the National Milk Producers Federation. Garstang, who registered for the Federation in 1950, 1951 and 1953 (CQ Weekly Report, p. 566), stated that he is interested in "any legislation that may affect milk producers or the cooperatives through which they act together to process and market their milk."

Garstang said that he receives a yearly salary of \$10,000 "effective Oct. 1, 1953," and is reimbursed for all expenses incurred "in connection with lobbying."

FLORIDA CITRUS MUTUAL, Lakeland, Fla.

J. Hardin Peterson, attorney and former Democratic Congressman from Florida (1933 to 1949), registered Dec. 18 as an agent for the Florida Citrus Mutual -- an organization which describes itself as a "non-profit cooperative for furthering the interest of citrus growers." Peterson said the mutual consists of R. T. Carleton, Plymouth, Fla.; Chester C. Fosgate Company, Orlando, Fla.; R. D. Keene, Winter Garden, Fla., and the Triple E. Development Company, Dade City, Fla.

Peterson, who registered during the first quarter of the year for the same citrus mutual and who has registered in the past for the Alaska Statehood Committee, the Government of Guam and United States Air Lines (CQ Weekly Report, pp. 272 and 757), said he is interested in tax treatment in relation to "certain cases involving the sale, exchange or conversion of land with unharvested crop" and in HR 5597, a bill to make the provisions of the Internal Revenue Act concerning capital gains and losses on sale of land with unharvested crop retroactive to taxable years after Dec. 31, 1941. Peterson said he is also interested in "other legislation of similar import."

In regard to salary and expenses, Peterson's registration stated that each employer paid "in lump sum as follows: Triple E. Development Company, \$2,500; R. T. Carleton, \$516.67; Chester C. Fosgate Company \$333.33; R. D. Keene, \$816.66; and the actual expenses to be paid by the Florida Citrus Mutual. It is estimated the actual expenses will be \$750. Expenditure for attorney fees in the amount of \$4,166.66 and my actual expenses from Lakeland, Fla., to Washington, D. C., and return, living expenses in Washington and telephone and telegram."

PRESSURE POINTS

NEW ANTI-BRICKER GROUP

A new committee has been organized to fight the Bricker resolution to limit the President's treaty-making powers. It is the Committee for Defense of the Constitution by Preserving the Treaty Power, with headquarters at 527 Lexington Ave., New York City.

Formation of the group, made up of business executives, lawyers, educators and former federal officials, was announced Dec. 27. Dr. Edward S. Corwin, Professor Emeritus at Princeton University, has been named chairman. Serving as co-chairmen are John W. Davis, constitutional lawyer, and Gen. Lucius D. Clay, former military governor of the U.S. Zone in Germany. Executive secretary is Robert B. Eichholz, ex-general counsel of the Foreign Operations Administration.

CHAMBER PLAN DEBATED

A proposal by the U.S. Chamber of Commerce to put social security on a pay-as-you-go basis was attacked by economists Dec. 28 as a "baby Townsend Plan."

During a panel discussion before the American Economic Association and the Industrial Relations Research Association, economists and a Congressman also criticized proposals to freeze the tax contribution of workers and employers (President Eisenhower has requested that the increase effective Jan. 1 be postponed -- CQ Weekly Report, p. 1405.)

Rep. Robert W. Kean (R N.J.) declared: "I'm opposed to a freeze at this time. Benefits are now greater than can be supported at the present contribution rate." Kean termed the pay-as-you-go principle "cowardly" since it makes promises with no provisions to pay for those promises. He added: "Practically universal coverage is my answer to the...heavy burden of old age assistance."

W. Glenn Campbell, research economist of the Chamber, argued in favor of the group's plan. He said the present system has "important shortcomings," and called for coverage of all workers and older folks now unprotected. (For a subcommittee chairman's comments on social security revision, see page 9.)

NYE HEADS GROUP

Former U.S. Sen. Gerald P. Nye (R N.D. -- 1925-44) has been elected president of Citizens for Conservation, it was announced Dec. 26. The organization, with head-quarters in Washington, was recently formed to fill "a major gap" in organized conservation efforts, according to officials.

PRE-SESSION PLANS

Democratic Briefing

President Eisenhower Dec. 28 invited some Democratic Congressional leaders to attend a White House briefing Jan. 5 on the upcoming State of the Union message. Republican Congressional leaders will also be present.

Those invited to attend (all have accepted):

REPUBLICANS

Vice President Nixon Sen. William F. Knowland (Calif.), majority leader

Sen. Eugene D. Millikin (Colo.) Chairman, Finance Committee

Sen. Styles Bridges (N.H.), president pro

Sen. Leverett Saltonstall (Mass.), Chairman, Armed Services Committee

Sen. Homer Ferguson (Mich.), Chairman, GOP Policy Committee

Sen. Alexander Wiley (Wis.), Chairman, Foreign Relations Committee

Rep. Joseph W. Martin, Jr., (Mass.), Speaker Rep. Cha;les Halleck (Ind.).

majority leader Rep. Leslie C. Arends (III.) majority whip

Rep. Leo E. Allen (Ill.), Chairman, Rules Committee

Rep. Robert B. Chiperfield (III.), Chairman, Foreign Affairs Committee

Rep. Dewey Short (Mo.), Chairman, Armed Services Committee

DEMOCRATS

Sen. Lyndon B. Johnson (Tex.) minority leader Sen. Earle C. Clements (Ky.) minority whip Sen. Walter F. George (Ga.), ranking member, Foreign Relations and Finance

Committees
Sen. Richard B. Russell
(Ga.), ranking member,
Armed Services Com-

Armed Services Committee Rep. Sam Rayburn (Tex.)

minority leader Rep. John W. McCormack (Mass.), minority whip

Rep. James P. Richards (S.C.), ranking member, Foreign Affairs Committee

Rep. Carl Vinson (Ga.), ranking member, Armed Services Committee

Ready... Set ...

Republican Senate leaders, mindful of the full schedule ahead in the second session (CQ Weekly Report, pp. 1443 ff.), Dec. 29 issued a back-to-work notice for Jan. 5, the day before Congress officially meets. Majority leader William F. Knowland (R Calif.) and Chairman Homer E. Ferguson (R Mich.) of the GC? Policy Committee announced the Policy Committee would meet then to plan a program.

Knowland said he hoped he and minority leader Lyndon B. Johnson (D Tex.) could successfully compromise the difficult assignment of shuffling the Senate's committee structure so as to accomodate 48 "minority" Senators and 47 "majority" ones. (CQ Weekly Report, pp. 1453-4.)

Knowland added that a compromise now is being worked out on Sen. John W. Bricker's (R Ohio) controversial amendment to restrict somewhat the President's treaty-making powers. (CQ Weekly Report, p. 1419.)

The "majority" leader discounted the possibility of a filibuster against a House-approved proposal for Hawaiian statehood, which he said will be brought to the Senate floor early in the session. (CQ Weekly Report, p. 1459.)

Senate minority leader Lyndnn B. Johnson (D Tex.) and Adlai Stevenson, written before President Eisenhower's briefing invitation, the Tennessean asserted the Democratic program should aim at "reversing the trend toward government by monopoly and wealth."

Later Kefauver said the White House invitation of Dec. 28 was a gratifying "gesture" and hoped the GOP program was not so "permanently set" that there will be "no opportunity for Democratic suggestions."

Among other comment on the invitations:

Sen. A. S. Mike Monroney (D Okla.): "Belated recognition" of Administration reliance on Democrats for support of foreign policy, foreign trade and tax programs.

Sen. Edwin C. Johnson (D Colo.): "...should have been done earlier."

Sen. John J. Sparkman (D Ala.): It amounts to little more than a "nice courtesy," since the President isn't likely to make any changes in his message.

But Sen. Homer E. Ferguson (R Mich.): "(The message) isn't complete yet. It isn't too late for ... changes."

URGES DEMOCRATIC PROGRAM

Sen. Estes Kefauver (D Tenn.) Dec. 26 urged Democrats to form their own Congressional program and steer the country on a "liberal" course. In letters to



-committee roundup

New Hearings

POWER MARKETING -- The House Interior and Insular
Affairs Committee held hearings Dec. 29 on the Department of Interior's new Missouri River Basin power marketing policy.

The Anti-trust and Monopoly Legislation Subcommittee of the Senate Judiciary Committee held similar hearings Dec. 7-10 (CQ Weekly Report, p. 1440). A Committee spokesman said the House group will continue its sessions Jan. 4 and 5.

Fred G. Aandahl, Assistant Secretary of Interior, testified that the power marketing criteria for the Missouri Basin reclamation project is expected to work to the advantage of Rural Electric cooperatives and municipalities.

REA representatives expressed fear that the marketing criteria was so worded that their organizations would be forced to enter into contracts immediately for all government power which they expect to use in the future. They argue that since there will be a "demand charge" for power contracted for, although not yet used, the policy would heavily penalize them.

Aandahl said the Electric Associations should apply now for power sufficient only to serve their requirements for the next one or two years. Power not contracted for by preference customers, Aandahl said, will be sold to non-preference customers but almost exclusively under short term contracts. As these short term contracts expire, he said, power from government contracts will be "recaptured" to meet the expanding needs of REA and other preference groups.

Aandahl explained that though the new marketing criteria will permit 20-year contracts with non-preference customers if circumstances dictate, he did not contemplate that this would be done. If it is done, he said, the power sold under long term contracts would have to be clearly in excess of the requirements of preference customers.

Rep. Clair Engle (D Calif.), a Committee member, told Aandahl that many people have been made "uneasy" by the new power policy.

Chairman A. L. Miller (R Neb.) said he would submit a list of 40 questions to Aandahl which he will be asked to answer at further Committee sessions.

RADAR ESPIONAGE -- Brigadier Gen. Telford Taylor (ret.) Dec. 23 continued his running battle with Chairman Joseph R. ! icCarthy (R Wis.), whose Senate Investigations Subcommittee has probed alleged espionage at Fort Monmouth N. J. (CQ Weekly Report, p. 1460.) Taylor has said NcCarthy had not proved charges of espionage and stood as an "adventurer." (CQ Weekly Report, pp. 1404, 1423)

In a Dec. 23 statement for Newsweek, Taylor asserted McCarthy was a "threat to conservative institutions and traditions," and "has not helped catch any spies" at the Monmouth Army Signal Corps Laboratory. Taylor added that he had received no subpena to testify about an alleged "loyalty flag" in his government record-file. (CQ Weekly Report, p. 1423.)

Reports, Recommendations

DEFENSE PRODUCTION -- The Joint Committee on Defense Production, in an annual report Dec. 27 warned that "thin spots" in the nation's industrial armor pose a threat to defense production.

The Senate House Committee, appointed to watchdog U. S. industiral defense efforts, noted there had been "difficulty and delays" in atomic energy projects, strategic material stockpiling and other mobilization programs.

Chairman Homer E. Capehart (R Ind.), who is also Chairman of the Senate Banking and Currency Committee, said in a statement accompanying the report that "partial mobilization aims have now been substantially achieved."

SOCIAL SECURITY -- Rep. Carl T. Curtis (R Neb.),
Chairman of the House Ways and
Means Subcommittee on Social Security, Dec. 27 submitted to Rep. Daniel A. Reed (R N.Y.), Chairman of the
main Committee, a letter and memorandum designed to
inform Reed of "some of the more salient findings of the
study." (CQ Weekly Report, p. 1405.)

Curtis said the memorandum was "not to be regarded as a full and complete treatment of the hearings and studies" conducted by the Subcommittee. Dec. 30 Curtis released a series of proposals he said he would submit early in the new session (see page 11.)

Curtis's letter to Reed said that the nation's system for providing for the aged and the needy is on a "piece-meal" basis and that 60 per cent of the aged cannot get benefits under the old age insurance system.

Stating that there are 106 varying programs—all of which differ on requirements for eligibility and in amounts of aid—financed wholly or in large part from federal funds to provide Old-Age and Survivors benefits, Curtis asked: "Must there be so many programs to deal with two social problems? Must young widows with dependent children and the aged of our country receive such a wide variety of treatment?"

Curtis said he believed that "minor adjustments can enable us to achieve" the objective of a single program which would serve "not the few, but all of our aged, and dependent children." The memorandum accompanying the letter said that the balance in the Federal Old Age Insurance trust fund is nearly two billion dollars "short" of what is needed to pay future benefits to those now entitled to them.

"This deficiency" the memorandum stated, "does not mean that the Old Age and Survivors Insurance trust fund is in any danger of being exhausted" because "under existing federal insurance contributions tax rate schedules, the tax revenues of the future are expected, for at least a considerable period of years to continue to exceed expenditures."

GOVERNMENT BUSINESS -- Rep. Cecil M. Harden (R Ind.), Chairman of the Intergovernmental Relations Subcommittee of the House Government Operations Committee, said Dec. 23 that the National Coffee Association recently recommended that the government close its present coffee roasting plants and utilize the services of commercial roasters exclusively, (For background on the Eisenhower Administration's policy towards "getting government out of business" see CQ Weekly Report, p. 1222.)

Harden said that this step would "save millions of dollars to the government annually."

Quoting a directive from Secretary of Defense Charles E. Wilson which stated that it was the policy of the Department of Defense "not to engage in the operation of industrial or commercial type facilities unless it can be demonstrated that it is necessary for the government itself to perform the required work," Harden announced that the first step in putting the directive into effect may be the closing of most of the 61 military plants now processing scrap iron.

Coming Up

LABOR RACKETEERING -- Chairman Clare E. Hoffman (R Mich.) of the House Government Operations Committee announced Dec. 26 he would seek early second session authority for a nation-wide probe of alleged labor racketeering.

Hoffman announced that he has had investigators working in Los Angeles, Chicago, Minneapolis, New York and Indianapolis. He was a member of an Education and Labor subcommittee which probed alleged labor racketeering in Kansas City and Detroit in 1953. (CQ Weekly Report, p. 1404.)

COTTON ACREAGE -- Chairman George D. Aiken (R Vt.) Dec. 28 announced that his Senate Agriculture Committee will meet Jan. 6 to consider House-passed cotton acreage legislation. (CQ Weekly Report, pp. 1063, 1152, 1192.)

U.N. CHARTER -- Sen. Spessard L. Holland (D Fla.), a member of an eight-man special Senate committee created July 28 to recommend changes in the United Nations charter (CQ Weekly Report, p. 1153), said Dec. 26 he will ask the committee to take to the road and get the "benefit of the thinking of as many Americans as possible."

Holland said that since the Committee's formation was announced he has received scores of letters from all parts of the country suggesting various changes in the UN charter. "I am going to urge that hearings be held in various parts of our country," Holland said.

PACKAGE SIZES -- The Subcommittee on Postal Operations of the House Post Office and Civil Service Committee Dec. 28 postponed until Jan. 11, the start of hearings on size and weight limitations on parcel post packages. The hearings originally were scheduled to start Jan. 7. (CQ Weekly Report, p. 1462.)

On Tour

EUROPEAN ARMY

Former Rep. O. K. Armstrong (R Mo.) (1951-52), just returned from a tour of the German refugee problem (made on invitation of the German Bundestag), said Dec. 26 that "any further delay in using this great reserve of manpower is sheer folly."

Armstrong said that it did "not make sense to be drafting American boys for military service in the ground forces of Europe when there are millions of young men of military age in Europe willing and eager to join the defense against Communism.

NIXON REPORT

Vice President Nixon Dec. 23 rep rted via nationwide radio-TV on his recent 45,000-mile tour made at President Eisenhower's request. (CQ Weekly Report, p. 1426.)

Nixon said that U. S. negotiator Arthur Dean was justified in walking out on drawn-out negotiations toward the start of a Korean political conference. He praised French resistance to Communist aggression in Indo-China, and urged all Americans to practice "tolerance and respect for human rights every day of the year." The Vice President asserted the Communists in Asia play up every indication of racial intolerance in the U. S.



political notes

GOP: UNITY IN '54

Chairman Leonard W. Hall of the Republican National Committee issued a call Dec. 27 for a two-day meeting of the Committee in Washington on Feb. 5-6 to seek support for the President's new legislative program and unity for the 1954 Congressional elections. It will be the first meeting of all the Party's leaders in 10 months, and will kick-off a series of Lincoln Day GOP political rallies throughout the nation.

F. Peavey Heffelfinger of Minneapolis, chairman of the Republican National Finance Committee, announced Dec. 27 that his group will meet in Washington Feb. 4, just before the National Committee meeting. Members of the finance group have been invited to attend the Committee parley, after they conclude their plans to finance the 1954 campaign.

DEMOCRATS VS. DEWEY

Sen. A. S. Mike Monroney (D Okla.) and Rep. Franklin D. Roosevelt (D N.Y.) have accused Gov. Thomas E. Dewey (R N.Y.) for recent political statements.

Dewey told a GOP \$100-a-plate gathering in Hartford, Conn., Dec. 16 that the words "Truman and Democrats are synonymous with Americans dying" because of lack of ammunition in a foreign war brought about by "bungling...diplomatic failure, military failure." He also declared that Attorney General Herbert Brownell, Jr., had a "solemn duty" to bring the Harry Dexter White case before the public. (CQ Weekly Report, p. 1339.)

Monroney said Dec. 27 that Dewey's speech was "hitting below the belt at the entire Democratic party" and predicted that the Republicans would regret such tactics. Monroney said the speech was "unfair," and that the Senate Democratic Campaign Committee, had, at his suggestion, distributed copies of it to all Democratic Senators.

"If Dewey's speech is an indication of how this football game is going to be played, we're going to have to look again at our downfield blocking. Democrats can tackle as hard as Republicans can," said Monroney.

Roosevelt told a New York CIO audience Dec. 21 that Dewey's speech indicated the 1954 campaign would be "dirty, demagogic and in the gutter." He declared that the speech was "the most demagogic ever made by a responsible Republican leader. It is a foretaste of a tough election--one based on lies and vicious charges."

NO PRESIDENTIAL AIM

Gov. Frank J. Lausche (D Ohio), mentioned as potential presidential timber for the Democrats in 1956, took himself out of the race early on Dec. 28, 1953. In telling of a refusal to speak before a New York audience, Lausche said in Cleveland Dec. 28: "I replied that I would not speak out of the state of Ohio for three years." Asked to explain, the governor, who is seeking a fifth term as

Ohio's chief executive, said: "If I had any Presidential ambitions I would be speaking outside the state, wouldn't I? If I don't speak, it means I have no ambitions. Besides three years will take us to December 1956." (CQ Weekly Report, p. 1418, 1455)

STATE ROUNDUP

CALIFORNIA: State Attorney General Edmund G. (Pat) Brown, California's top-ranking vote-getter, has announced that he will run for re-election, thereby eliminating himself from the 1954 gubernatorial race and leaving Democratic Mayor Laurence L. Cross of Berkeley as the only announced Democratic gubernatorial candidate. (CQ Weekly Report, p. 1375)

IOWA: James B. (Pete) Conroy, 30, Clear Lake school teacher, has announced his candidacy for the Third Congressional District seat now held by Rep. H. R. Gross (R). Conroy is a Republican and has been a backer of President Eisenhower.

MARYLAND: Dr. H. C. (Curly) Byrd (D) filed as a candidate for the Democratic nomination for governor on Dec. 18.

MINNESOTA: Gov. C. Elmer Anderson (R), who has been endorsed by the state-wide Young Republican League as its choice to run for the Senate in 1954 against Sen. Hubert H. Humphrey (D Minn.), said in St. Paul Dec. 26 that defeat of Humphrey, Rep. Eugene J. McCarthy (D) and Rep. Roy W. Wier (D) was necessary because of Democratic "softness toward Communism." Democratic State Chairman Karl F. Rolvaag and Democratic National Committeewoman Ione Hunt retorted that Anderson was "adopting the smear tactics of (Sen. Joseph R.) McCarthy" (R Wis.) against the Democrats.

OHIO: Rep. Clarence J. Brown (R Ohio) announced Dec. 21 that he will be a candidate for re-election. He is in his eighth term.

PENNSYLVANIA: Maj. Gen. Daniel S. Strickler, former GOP lieutenant governor of Pennsylvania, and Dr. William D. McClelland (D), Pittsburgh coroner, are seeking support in their respective parties as potential gubernatorial candidates next year.

TEXAS: Former Rep. Lindley Beckworth (D), who made an unsuccessful race for U. S. Senator from Texas in 1952, announced Dec. 29 that he will run in 1954 for the Third Congressional District seat which he held for 14 years. It is now held by Rep. Brady Gentry (D).

MISSISSIPPI: Lt. Gov. Carroll Gartin (D) Dec. 30 announced his candidacy for the Senate seat held by James O. Eastland (D). Gartin, 40, is a Laurel attorney and in his first term as Lieutenant Governor. Eastland Aug. 15 announced his candidacy for re-election to a third Senate term (CQ Weekly Report, p. 1104). The Senate primary will be held Aug. 24, 1954.

WIRE TAPPING

Chairman Homer E. Ferguson (R Mich.) of the Senate Republican Policy Committee Dec. 26 predicted that Congress will legalize the use of wiretapped evidence in federal trials involving alleged espionage. (CQ Weekly Report, p. 1295.) Attorney General Herbert Brownell, Jr. has asked Congress for similar legislation. (CQ Weekly Report, p. 1362.) But Dec. 26, Sen. Pat McCarran (D Nev.), ranking Democrat on the Judiciary Committee, rated as doubtful the current chances for passage of such a law.

MISSING MAIL FOUND

Rep. Clare E. Hoffman (R Mich.) Dec. 24 announced that part of a sack of mail, reported missing Dec. 15, had been found and returned to him. (CQ Weekly Report, p. 1436.) He said the mail sack was "inadvertently" opened in Detroit by Post Office inspectors.

ATOMIC SUB

Rep. <u>Craig Hosmer</u> (R Calif.), recently returned from two weeks of active training duty as a reserve commander at the Navy's submarine base at New London, Conn., said Dec. 26 that "our nation can well be proud that we have produced men with the imagination and ability to conceive, build and operate the world's first atomic powered craft." Hosmer said part of his training included study and inspection of the atomic submarines Nautilus and Sea Wolf.

FOREIGN ECONOMIC POLICY

Rep. Emanuel Celler (D N.Y.) Dec. 23 advocated a complete review and possible revision of American tariff schedules as a means toward stimulating world trade and bettering international relations. He outlined his views in a letter to the President's Commission on Foreign Economic Policy. (CQ Weekly Report, p. 1359.)

EXCHANGE OF ATOMIC SECRETS

Sen. Bourke B. Hickenlooper (R Iowa), Vice Chairman of the Joint Atomic Energy Committee, said Dec. 29 that the United States already is exchanging some secret atomic information on "materials processing" with friendly nations. Hickenlooper said that though the present exchange of atomic data with other free nations is possible because of a revision of the Atomic Energy Act during the last session of Congress, amendments to the present law would be required to carry out President Eisenhower's proposal for the international pooling of atomic energy materials for peaceful uses. (CQ Weekly Report, p. 1420.)

McCARTHY ON 1954

Sen. Joseph R. McCarthy (R Wis.) reasserted Dec. 30 that communism in government will be an issue in the 1954 Congressional campaign. (CQ Weekly Report, p. 1417.) He said that he would campaign and "do a great deal of speaking" in states with close Senate contests, added he was "well satisfied with my position in the Senate" and was not a candidate for President in 1956.

SPARKMAN ON HOUSING

Sen. John Sparkman (D Ala.) Dec. 30 criticized a recommendation to fix maximum interest rates on VA and FHA-insured home loans up to two and a half per cent above current average rates. The recommendation was submitted along with others, to President Eisenhower Dec. 15 by the Advisory Committee on Government Housing Policies and Programs. (CQ Weekly Report, p. 1429.) Sparkman, a member of the Senate Banking and Currency Committee, expressed "pleasant surprise" at the general outline of the advisory group's report.

CONGRESSIONAL QUOTES

"You can expect to see a lot of switch voting in the con.ing session of Congress," Rep. Walter Rogers (D Tex.) predicted in a Dec. 23 newsletter. "About the only ones you can expect to see continue right down the middle, as they have in the past, are the Southern Democrats." In reference to tax cuts to become effective Jan. I on individual incomes, Rogers said that "those in charge of fiscal matters don't like" the tax cut, "but there is very little that they can do about it." Rogers said that "Congress was thoroughly polled" and "it was most obvious that the taxes could not be revived."

Rep. Allan Oakley Hunter (R Calif.), in a Dec. 31 newsletter: "Even social functions are getting down to facts, with at least one Washington hostess writing on the guests' place cards questions which they are expected to answer before they leave the table."

"A Senate battle is brewing on confirmation of the appointment to the Federal Communications Commission of Robert E. Lee, sponsored by Sen. Joseph McCarthy" (R Wis.), Rep. Harlan Hagen (D Calif.) reported in his Dec. 24 newsletter. "Lee's presence on the FCC helped influence the major networks to grant McCarthy time to 'answer' Harry Truman..."

Sen. Alexander Wiley (R Wis.) in his Dec. 24 Weekly Newsletter listed these leading issues confronting Congress: "Getting government out of business;" the budget, taxes, the debt ceiling, reciprocal trade agreements, the farm price support program; Taft-Hartley Labor Law revision; extension of Social Security; St. Lawrence Seaway; the question of giving private enterprise a bigger role in atomic power production; the legalization of wiretapping in espionage cases; and the increase of postage rates

Urging GOP unity in his Dec. 24 newsletter, Rep. Usher L. Burdick (R N.D.) declared that "internal strife... ought to aid the Democrats materially... As affairs in the party stand today, the next Congress will not be Republican." In his Dec. 31 newsletter, Burdick complained that "Westera Europe wants an alliance, all right, but as usual, they want the United States to do the fighting for 50 years, if there is any to be done. That is the life of NATO."

"The old theory that government should 'soak the rich' isn't very practical," Rep. Frank T. Bow (R Ohio) said in a Dec. 31 newsletter. "In reality, 100 per cent taxation of all incomes above \$10,000 would net enough revenue to run the government in 1954 for only about two weeks."

Sen. John Sparkman (D Ala.) Dec. 24 said that the trend of the nation's economy "will be a campaign issue" next year no matter under what name. Sparkman said that the Democrats were not picking the nation's economic state, "whether you call it a recession or a depression," as a 1954 campaign issue but that "the people will, unless there is a surprising turn in economic conditions."

Dr. Gabriel Hauge, economic assistant to the President, asserted Dec. 27 the Administration was working on a tax-revision program aimed at creating more jobs and further investment by industry. Hauge said the full Eisenhower tax program would be presented to the second session.

FOREIGN AID "CLUB"

Sen. Guy M. Gillette (D Iowa) Dec. 25 asserted the Administration foreign policy program will meet serious Democratic opposition if it adopts a "threatening attitude" and uses foreign aid as a "club" on U. S. allies. Gillette, a member of the Foreign Relations Committee, referred to recent statements by Secretary of State John Foster Dulles in Paris (CQ Weekly Report, pp. 1437, 1457).

President Eisenhower Dec. 23 supported the Dulles stand and asserted that failure to establish the European Defense Community would confront the U.S. with the "necessity of reappraising its basic policies in Europe."

Senate Foreign Relations Chairman <u>Alexander Wiley</u> (R Wis.) Dec. 23 said he approved of the <u>Administration's</u> efforts to jolt France into joining the EDC.

ALASKA-HAWAII STATEHOOD

Sen. John Sparkman (D Ala.) said Dec. 26, in reference to what he called the Republican leadership's plans to press for the statehood of Hawaii and not Alaska, that "it would be a very serious mistake to offer statehood to either without offering it to the other. I can't but feel that it's a political thing to want to admit one without the other," he said. "Alaska is deserving of statehood."

Sen. William F. Knowland (R Calif.) said Dec. 30, when questioned about a Dec. 22 statement by Sen. James O. Eastland (D Miss.) that was interpreted as a hint of a filibuster (CQ Weekly Report, p. 1459), that he hoped no filibuster would develop, but at the same time did not think "the wheels of government should stop because of the threat of a filibuster."

CONGRESSIONAL BRIEFS

ABOLISH FOA

Sen Mike Mansfield (D Mont.) said Dec. 27 that he would renew his efforts next year to have the Foreign Operations Administration and the United States Information Agency abolished by Congressional action. Mansfield said that he believed "that overseas this country can only speak with one voice and that voice, under the Constitution, is the State Department."

"Budget" And "Cash Budget"

Congressmen and members of the Executive branch frequently refer to "the Budget" and "the cash budget."

The main difference is the disposition of money in trust funds administered by the government. The largest of these funds is the Old-Age and Survivors Insurance program. Others include unemployment insurance, railroad and civil service retirement, and veterans life insurance.

Transactions of these trust funds (which currently bring in more than they pay out) are not included in the regular Budget totals but do appear in the "consolidated cash budget" -- which the Bureau of the Budget reports under the title "Receipts From and Payments to the Public." The Bureau has computed this cash budget since fiscal 1944, in an attempt to "show the total flow of money between the public and the federal government."

Another major difference between the two budgets is the omission, in the cash budget, of money transferred within the government. The reporting of interest on savings bonds also vaires.

In its review of the 1954 budget, published Aug. 27, the Budget Bureau estimated fiscal 1954 receipts at \$68.3 billion and expenditures at \$72.1 billion. That would result in a \$3.8 billion deficit.

The cash budget picture was rosier, however. It showed an estimated deficit of only \$500 million, largely due to \$9.4 billion in trust fund receipts, as opposed to a trust fund outlay of \$6.6 billion.

DEBT LIMIT

Sen. Russell B. Long (D La.), a member of the Finance Committee, Dec. 28 said he would continue to oppose any increase in the national public debt limitation of \$275 billion. Long said he would "support moves" to "cut expenses and balance the budget." He said the Eisenhower Administration would probably ask for a raise in the debt ceiling. (CQ Weekly Report, p. 1427 ff.)

SPY SANCTUARY?

Several Senators proposed Dec. 26 that the U.S. offer protection and security to members of any spy rings operating in the U.S., if those members will step forward and expose themselves and the rings. The comment:

Chairman Alexander Wiley (R Wis.), of the Senate Foreign Relations Committee: "I believe in fighting fire with fire." Sen. Herman Welker (R Idaho), a member of the Senate Internal Security Subcommittee: "...it can be arranged so that these men will not fear ... turning to our side." Sen. Lester C. Hunt (D Wyo.), a member of the Armed Services Committee: "Any such offer might bring a great response from those who may or may not have Communist contacts."



-around the capitol

SOCIAL SECURITY

Rep. Carl T. Curtis (R Neb.), Chairman of the Social Security Subcommittee of the House Ways and Means Committee (see page 9), Dec. 30 released a group of proposals which he said will be incorporated in a bill he plans to introduce early in 1954.

Curtis, emphasizing that he "was speaking as an individual Congressman," said his proposals would abolish the Old Age Assistance program and transfer welfare recipients to an Old Age Insurance program where they would receive automatically a new federal minimum of \$45 monthly (in contrast to the present maximum of \$35).

The proposals would also: Give everyone over 65 a pension, except those earning more than a \$1,000 a year and those covered by some other public program

Require that a person receiving benefits without having earned them under the present Social Security formula surrender the extra \$600 personal exemption on income taxes now extended to all persons over 65

Bring all persons under 65, except those covered by other public systems, under the Social Security program

Levy the Social Security tax on all types of income, including dividends, rentals and other investments

including dividends, rentals and other investments Raise the minimum payment, to present and future

retired persons, from \$25 monthly to \$45
And liberalize the present retirement test (which forbids Social Security payments in any one month to any person earning as much as \$75) to allow individuals to earn \$1,000 annually.

PROPOSAL CRITICIZED

Terming the Curtis proposals a "baby Townsend Plan,", Rep. Robert W. Kean (R N.J.), a member of the House Ways and Means Committee, Dec. 30 said it would be "a dishonest approach to let the present aged population raid the Social Security trust fund built up by contributions from workers under the present system for their own future protection." Kean said he didn't think the plan would have "much of a chance in Congress" and that he believed the Administration would oppose it.

Joseph Curran, chairman of the CIO Social Security Committee, said Dec. 30 that Rep. Curtis' proposals would threaten present benefits "by raiding the trust fund and ending all federal grants to the states for the aged and for dependent children."

Curran said the CIO favored a bill (S 2260) introduced by Sen. Herbert H. Lehman (D N.Y.) which he said would raise benefits,provide disability insurance and cover all gainfully employed "on a sound basis."

"HIDDEN THIRD-PARTY?"

Rep. Frederic R. Coudert, Jr. (R N.Y.) suggested Dec. 29 that the President should be elected by "the district system" rather than by a "hidden third-party" composed of "pressure groups and splinter political parties."

At the present time, he declared, Presidential electors are elected en bloc on state-wide tickets. The method makes the large states unduly influential in the election of a President because the successful nominee must have the electoral vote of the large states, such as New York, to win.

This also gives "single-interest voters organized into political pressure groups" in the large states the undue influence of "a hidden third-party" in the election of the President, according to Coudert.

With Sen. <u>Karl E. Mundt</u> (R S.D.), Coudert is sponsoring legislation to amend the Constitution to provide for the election of Presidential electors by Congressional district rather than en bloc by state-wide contests. Two electors would be elected state-wide in each state to correspond to the two Senators of each. In the event no Presidential candidate polled an electoral majority, the President would be elected by the majority vote of Congress.

Not only would "the district system" provide for a truer expression of political strength of each party, but it would also end "the frequent ideological conflict between the White House and the Congress," said Coudert. This conflict is due to the present separate and distinct constituencies of the President and Congress, since the executive and legislative are elected in different ways, according to Rep. Coudert.

RECESSION? YES AND NO

Two more Democratic Senators Dec. 24 asserted there is danger of a recession for American business. (CQ Weekly Report, p. 1459.) Sen. A. S. Mike Monroney (Okla.) asserted there was a "general lack of confidence" in the policies of the Eisenhower Administration. Sen. Edwin C. Johnson (Colo.) observed: "We are in some sort of readjustment."

Dec. 23, two GOP Senators, James H. Duff (Pa.), and Herman Welker (Idaho) challenged a statement by Sen.

Paul H. Douglas (D Ill.) that the U. S. is suffering a "real recession." (CQ Weekly Report, p. 1459.) Said Duff: "The Democrats tried to win the election last year on the old depression issue. They failed." Welker asserted Douglas was making "campaign dialogue to help him win in 1954."

Douglas, who has announced for re-election (CQ Weekly Report, p. 1433) replied: "I'd rather have prosperity and be defeated."



the executive branch

The President

LABOR-SURPLUS AREAS

President Eisenhower Dec. 29 ordered full implementation of an order designed to channel more defense contracts into areas "where there has been a large amount of unemployment." The order was issued Feb. 7, 1952, during the Truman Administration and was restated Nov. 4 by Defense Mobilizer Arthur S. Flemming.

By Dec. 30, some 17 states and Puerto Rico had been listed as having communities which would be affected, and there was criticism of the President's action, mostly by Southern Congressmen. Business and civic leaders in New England hailed the directive.

Sen. Burnet R. Maybank (D S.C.), ranking minority member of the Banking and Currency Committee, declared the President had turned his back "on campaign promises of state rights, freedom for private business and greater economy in government." Maybank asserted it was "impossible to understand" the President's action "in the face of the record made in Congress in the last session." He referred to Senate rejection of an amendment to the Department of Defense appropriation bill (HR 5969) which would have allowed the letting of contracts to firms other than the low bidder. The amendment was rejected on a 25-62 roll-call vote. (CQ Weekly Report, pp. 985, 1001.)

Maybank said he was told last session by Senate Majority Leader William F. Knowland (R Calif.) that Mr. Eisenhower gave assurance no contracts would be let except on a low-bid basis. Sen. John J. Sparkman (D Ala.) recalled Dec. 30 that "Knowland gave the Senate his solemn word (that this thing) would never be done. They have broken faith and done it."

Knowland said Dec. 30 he would support legislation seeking to limit the policy.

Among other comments:

Gov. James F. Byrnes (D S.C.), who supported Eisenhower in the 1952 campaign, Dec. 30 declared the Administration "is adopting an unwise policy of the Truman Administration." Byrnes said the policy was "socialistic."

Sen. Lister Hill (D Ala.): "(It) violates the letter and the spirit of an iron-clad agreement between the Republican leadership and Southern Senators," and "opens the door wide to chicanery and favoritism."

Sen. Walter F. George (D Ga.): "It's a great mistake and will unbalance industry everywhere."

Rep. Henderson Lanham (D Ga.): "(I am) unalter-

Rep. Henderson Lanham (D Ga.). "(I am) unalterable opposed... It (will) channel contracts to New England."

The Eisenhower directive inc.uded:

A "set-aside" of 20 to 30 per cent of materials to be purchased in surplus labor areas Keeping surplus labor area firms informed of defense contract opportunities

Encouragement to prime contractors to subcontract to concerns in the affected areas

Provisions for writing off in five years, instead of 20, the capital investment used to establish new or expanded defense facilities in labor surplus areas.

CUTS KOREA FORCES

President Eisenhower Dec. 26 ordered a reduction in U.S. ground forces in Korea. As an "initial step" the President ordered the return to the U.S. of two divisions, not named. An aide estimated the order would affect about 32,000 men.

Democratic Sens. John J. Sparkman (Ala.) and A. S. Mike Monroney (Okla.) Dec. 29 questioned the decision. Said Sparkman: "Budgetary factors may have played a great part." Monroney called for a "full-dress non-partisan investigation" of long-range U. S. defense needs.

Senate Majority Leader William F. Knowland (R Calif.) thought it "advisable to reduce our forces overseas" as world conditions permit. GOP Senate Policy Committee Chairman Homer E. Ferguson (R Mich.) asserted the move was "a step in the right direction." Sen. Paul H. Douglas (D III.) thought the removal of two divisions might permit the Chinese Communists to send an equivalent number of men to help Communist forces in Indo-China.

Dec. 30, Sen. Edwin C. Johnson (D Colo.) praised the decision and Defense Department plans to bring home some U.S. airmen now in Europe. "I think we should help (the South Koreans) organize their own forces to do their own fighting for their own country," Johnson said.

RAIL DISPUTE BOARD

President Eisenhower created a three-man emergency board Dec. 29 to head off a threatened strike of more than a million railroad workers represented by 15 non-operating unions. The unions are all members of the Railway Labor Executives' Association. The dispute affects 150 railroads,

The President's executive order setting up the board (whose creation means--under the terms of the Railway Labor Act--that the 15 unions are barred from striking for a 60-day period) said that the dispute threatens "substantially to interrupt interstate commerce to a degree as to deprive the country of essential transportation service."

OAT IMPORTS LIMITED

President Eisenhower Dec. 27 issued an executive order placing a ceiling of 2.5 million bushels on oats imported into the U. S. from non-Canadian sources from Dec. 23, 1953, to Sept. 30, 1954. On Dec. 14, the Canadian government voluntarily agreed to limit its oats shipments to the U. S. to 23 million bushels. (CQ Weekly

Report, p. 1437.) An Agriculture Department spokesman said that Argentina would be mainly affected by the order.

Sen. William E. Jenner (R Ind.) Dec. 30 said the executive order was "welcome news to midwestern farmers who for three straight years have seen domestic oats prices wrecked by a flood of foreign grain."

Departments, Agencies

DEFENSE REPORT

Secretary of Defense Charles E. Wilson Dec. 29 reported to President Eisenhower that U. S. defense costs probably would remain high for "many years to come." The report, required by law, will be forwarded to Congress by the President.

Wilson described U. S. armed forces as the most powerful ever assembled "short of war." The Secretary underlined defense reliance on air power, new weapons, including atomic ones, and some reductions in manpower (see page 15.) The report, dealing mostly with Department activities during the first half of the year, also mentioned features of the so-called "new look" for the military such as the release from military service of numbers of men considered incapable of assuming responsibilities in a more highly-technical military service.

STOCKPILE

Defense Mobilizer Arthur S. Flemming Dec. 23 ordered 29 strategic materials placed in the "urgent" category for which stockpile procurement has fallen behind schedule. Chairman George W. Malone (R Nev.), of the Materials, Minerals and Fuels Subcommittee of the Senate Interior and Insular Affairs Committee has said the government ought to emphasize development of domestic strategic resources and place less emphasis on imports. (CQ Weekly Report, p. 1460.)

TRADE WITH REDS

Harold E. Stassen, director of the Foreign Operations Administration, said in a Dec. 27 appearance on a National Broadcasting Company television program, that trade in non-strategic goods which do not enhance the war potential of Communist-ruled nations is beneficial to the free nations in the long run.

MEAT PRICES REPORT

The Department of Agriculture's Marketing Service reported Dec. 2 that "it appears that retail prices of beef have generally reflected the declining prices for live cattle in 1952 and 1953."

However, the report said, "there were scattered examples of very depressed prices on some of the lower grade cattle sold in the local livestock markets" and "there were also a few cases of extremely wide margins on lower grade meat sold in retail meat stores."

The survey, which had been requested in September by Secretary of Agriculture Ezra Taft Benson, said lower cattle prices were caused both by the huge buildup in herds when prices were high two years ago and by the heavy slaughter of low-grade cattle partly brought on by the drought. The reason the consumer is paying a high price for retail meat, the report said, is because the middleman is paying more for labor, rent, supplies, storage, equipment and management costs.

Sen. Lester C. Hunt (D Wyo.) said Dec. 24 he did not agree that retail beef prices "have generally reflected the declining prices for live cattle." Hunt said that last Fall the Department issued a statement that "the total marketing margin for beef has not decreased in line with decreases in live animal prices because of the relative inflexibility of many marketing costs."

RICE CROP

Secretary of Agriculture Ezra T. Benson announced Dec. 29 that U. S. farmers will be free to produce all the rice they want to in 1954. Rice is one of the six "basic" farm commodities. (CQ Weekly Report, p. 1383).

Commissions

TVA REPORTS PROGRESS

The Tennessee Valley Authority Jan. 1 issued its 20th annual report for the fiscal year ending June 30, 1953. TVA reservoirs, the report said, now provide nearly 12 million acre feet of storage for flood control. Direct damages prevented since 1936, the report said, now amount to more than \$51,000,000, and benefits of this control now average more than \$11,000,000 annually to the Tennessee, lower Ohio and lower Mississippi valleys. In fiscal year 1953, TVA generated 24 billion kilowatt hours of electricity at its hydro and steam plants and obtained an additional three billion kilowatt hours by purchase and interchange.

ADA PROGRAM

Americans for Democratic Action Dec. 29 released a 16-point legislative program for the second session. It's points:

Maintain U. S. contributions to the United Nations Expand Point Four

Reject the Bricker treaty-limitation amendment Extend the reciprocal Trade Agreements Program Appropriate sufficient money for defense and sup-

port of the North Atlantic Treaty Organization Pledge full resources of the nation to guarantee full

employment and prevent further economic decline Restoration of the farmers' purchasing power

Raise the personal income tax exemption and resist a manufacturers or sales tax Increase the minimum wage to \$1.25 an hour

Increase the minimum wage to \$1.25 an hour Build at least 135,000 public housing units Repeal the Taft-Hartley labor law

Appropriate funds for an expanded TVA, and multipurpose projects on the Snake, Missouri and Connecticut Rivers

Give revenues from sale of off-shore oil to education Enact an FEPC and amend Senate rules to curb filibusters

Repeal the McCarran-Walter Immigration Act, and Adopt a fair-play code for Congressional committee's witnesses.

Thumbnail Index ADA Program 16 13 14 Bricker Amendment 7 Brown Announces..... 14 12 4 Congressional Briefs 12 Congressional Quiz iv 13 Counterpart Funds Chart 3 14 Eastland Opposed....... 14 15 GOP Unity 14 Housing 13 Labor-Surplus Areas 15 Lobby Registrations 7 16 10 Oats Imports..... 15 14 9 Pressure Points....... Radar Espionage 15 Statehood 12 14

Wire Tapping



-congressional quiz

Q--What are the prospects for Hawaii's admission to the Union?

A--Congressional leaders, meeting at the White House Dec. 18, decided to press for Senate approval of a measure to give statehood to the Island Territory. Sen. Russell B. Long (D La.) announced Dec. 21 that he would support the House-passed proposal. This might reverse the balance in committee, since in 1953 Long was one of eight who in effect blocked immediate consideration by voting 8-7 to link Alaskan statehood to the Hawaiian proposal. But on the other side of the picture, Sen. James O. Eastland (D Miss.) declared Dec. 22 that many Southern Senators were still opposed to Hawaii as the 49th state and may "talk for days against it" should it reach the floor. Although Hawaii's population would call for two Congressmen, an amendment to the measure, agreed to by the House, would cut its prospective initial representation to one. Hawaii would, of course, be entitled to two Senators.

2. Q--Why was Jan. 6 instead of Jan. 1 or some other day chosen for the convening of the second session?

A--Under terms of the 20th amendment, effective on Feb. 8, 1933: "Congress shall assemble at least once in every year, and such meeting shall begin at noon on the third day of January, unless they shall by law appoint a different day." At the close of the 1953 session, Congress Aug. 3 adopted a joint resolution setting Jan. 6 as the opening date for the 1954 session. This year Jan. 3 is a Sunday.

Q--How many sessions of Congress have been held?

A--The new 1954 session is, officially, the 192nd. The 83 Congresses from 1789 through 1953 held 191 sessions, according to statistics in the Official Congressional Directory. Of the 191 sessions, 165 were "regular" and 26 were "special," according to Dr. George B. Galloway, senior specialist on Congress for the Library of Congress. Each Congress has held at least two sessions, some held three and one, the 67th, is credited with four. However, the Directory, while noting recesses of considerable duration, lists no more than two sessions for any Congress since the 76th, which had two in 1939 plus the longest session on record--Jan. 3, 1940, to Jan. 3, 1941. Shortest session was only 10 days, from Aug. 21, to Aug. 30, 1856 (34th Congress).

- 4. Q--How big will the federal deficit be at the end of the current fiscal year?
 - A--Fiscal 1954, ending June 30, 1954, will show a deficit of approximately \$3.8 billion according to the latest official estimate on Aug. 27. Between now and June 30, however, the deficit, and consequently the public debt, will fluctuate daily. On Dec. 11, for example, the deficit stood at about \$8.9 billion.
- 5. Q--I've heard some people say that the Democrats, and not the Republicans, are responsible for the cut in personal and corporation income taxes that went into effect Jan. 1. Is this true?

A--The Democrats point out that the Revenue Act of 1951 was enacted during the 82nd Congress, first session, when they were in control. Expiration dates were written into the Act then, upon recommendation of the Senate Finance Committee (also controlled by the Democrats), and no further Congressional action was needed for them to take effect. (The excess-profits tax was slated to die June 30, 1953, but was extended to Dec. 31, 1953.) The Republicans argue that they should get credit for not prolonging the higher tax rates, claiming that extension would have been necessary if they hadn't reduced spending.

€. Q--How long has Washington, D. C., been the Capital of the U. S.?

A--Since 1800. The First Congress met in New York, and from 1791 to 1799, Congress met in Philadelphia. The second session of the Sixth Congress and all succeeding met in Washington. From time to time, there have been proposals to move the Capital to cities further West, such as Denver, but no concentrated effort to do this has materialized.

7. Q--I've heard the phrase "supreme law of the land." What is that?

A--The "supreme law of the land" is the Constitution, laws made "in pursuance of" the Constitution, and treaties made under proper authority. Judges throughout the U.S. are bound by them, irrespective of anything in state constitutions or laws to the contrary.

NOTE: CQ Weekly Report pages on which additional data may be found: (1) 1459, (4) 1427; CQ Almanac, on which additional data may be found: (5) Vol. VII, 1951, pp. 409 ff.